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FEB 11 2015

SECRETARY, BOARD OF
OIL, GAS & MINING

**BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

**IN THE MATTER OF THE REQUEST
FOR AGENCY ACTION OF RIG II,
LLC, FOR AN ORDER FORCE
POOLING THE INTERESTS OF ALL
OWNERS REFUSING TO AGREE TO
LEASE THEIR INTERESTS OR
OTHERWISE BEAR THEIR
PROPORTIONATE SHARE OF THE
COSTS OF DRILLING OPERATIONS
FOR THE PAPPADAKIS #15-24-2-1E
WELL IN THE DRILLING UNIT
ESTABLISHED BY THE ORDER IN
CAUSE NO. 139-42, COMPRISING
SECTION 24, TOWNSHIP 2 SOUTH,
RANGE 1 EAST, U.S.M., WITHIN THE
GREATER ALTAMONT-BLUEBELL
AREA, UINTAH COUNTY, UTAH, FOR
THE PRODUCTION OF OIL AND GAS
FROM THE LOWER GREEN RIVER
AND WASATCH FORMATIONS.**

**[PROPOSED]
FINDINGS OF FACT, CONCLUSION
OF LAW, AND ORDER**

Docket No. 2014-44

Cause No. 139-26

This cause came on regularly for hearing before the Board of Oil, Gas and Mining (the “**Board**”) on Wednesday, January 28, 2015, at 11:00 a.m., in the Auditorium of the Utah Department of Natural Resources in Salt Lake City, Utah. The Board members present and participating in the hearing were Chairman Ruland J. Gill, Chris D. Hansen, Carl F. Kendell, Susan S. Davis, Michael Brown, Gordon L. Moon, and Kelly Payne.

Phillip Wm. Lear and Clifford B. Parkinson of Lear & Lear L.L.P. appeared on behalf of RIG II, LLC (“**RIG II**”), and Tyson P. Kalstrom and Richard A. Kopp appeared as witnesses for RIG II.

Douglas Crapo, Assistant Attorney General, represented the Board; and Steven F. Alder, Assistant Attorney General, represented the Division of Oil, Gas and Mining (the “**Division**”). John Rogers, Deputy Director of the Division, participated in the hearing.

No other parties filed a timely response. Newfield Production Company filed a written comment supporting the Request and stating that its interests should be considered as part of the hearing. The United States, Bureau of Indian Affairs, filed its comments stating that the United States would not consent to Indian assets being forced pooled and seeking a continuation of the matter. The Utah Division of Forestry, Fire and State Lands (“**DDFSL**”), in behalf of the Utah Department of Transportation, filed its letter stating that the state lands would be offered for lease during March 2015.

NOW THEREFORE, the Board, having fully considered the testimony and evidenced adduced at the hearing and being fully advised in the premises, unanimously makes and enters its Findings of Fact, Conclusions of Law, and Order, as follows:

FINDINGS OF FACT

1. Petitioner filed this Request for Agency Action (sometimes hereinafter the “**Request**”) to differentiate the correlative rights in the pool in the Spaced Interval underlying the established Drilling Unit (as hereinafter defined), quantify those rights for the proper allocation of costs for production, involuntarily pool those oil and gas interests not heretofore voluntarily pooled, assess the risk compensation award (nonconsent penalty), and to make other findings, as required by *Utah Code Annotated* § 40-6-6.5 (2014 & Supp. 2014).

2. The Board mailed notice of the hearing to interested parties on November 6, 2014, and caused notice to be published in the *Deseret Morning News* and in *The Salt Lake Tribune*, newspapers of general circulation in the State of Utah, on November 16, 2014, and in the *Uintah Basin Standard* and in *The Vernal Express*, newspapers of general circulation in Duchesne and Uintah Counties, Utah, respectively, on November 18, 2014.

3. RIG II mailed photocopies of the Request to the last known address of all persons having legally protected interests in the subject matter of this hearing by certified mail, return receipt requested, on October 21, 2014, as supplemented by certified mailings weekly for four weeks, commencing October 23, 2014, and ending December 17, 2014.

4. Pursuant to the Board's order dated October 22, 2015, granting RIG II's Ex Parte Motion to Serve Request for Agency Action by Publication, RIG II caused its Request and its offer to lease or participate in development and operation of the Drilling Unit, as hereinafter defined, to be published in the *Deseret Morning News* and in *The Salt Lake Tribune*, newspapers of general circulation in the State of Utah, from October 28 through November 4, 2014, and in the *Uintah Basin Standard* and in *The Vernal Express*, newspapers of general circulation in Duchesne and Uintah County, Utah, respectively, from October 28 through November 4, 2014.

5. On January 27, 2015, RIG II filed its Motion to Bifurcate Hearing to exclude those lands owned by the State Road Commission, (now Utah Department of Transportation), by and through the DFFSL; and of the United States, as trustee, and for the Heirs and/or Devisees of Che-aga-rah, aka Henry Reeve, and of George Parvedro, allottees, of the Uintah and Ouray Reservation, and to continue consideration of the excluded lands and interest to the

Board's regularly scheduled hearing on April 22, 2015. The Board granted the motion by bench ruling at the hearing.

6. RIG II is a Utah limited liability company in good standing, having its principal place of business in Woods Cross, Utah.

7. At the time the RIG II filed the Request, RIG II was the operator of the Pappadakis #15-24-2-1E Well ("**Well**"). Since filing the Request, RIG II assigned its rights as operator to Gasco Energy, Inc. ("**Gasco**").

8. The lands subject to the Request are described as:

Township 2 South, Range 1 East, U.S.M.

Section 24: Lots 1-8 (W½), E½

(containing 635.51 acres, more or less)

(the "**Subject Lands**").

9. By its Order in Cause No. 139-42 dated April 17, 1985 ("the **Spacing Order**"), the Board established public land survey sectional drilling units (640-acre or substantially equivalent) for the production of oil, gas, and associated hydrocarbons from the spaced interval and authorizing up to two wells producing from the Spaced Interval in each drilling unit with setbacks of no fewer than 1,320 feet between wells and 660 feet from the exterior boundary of the unit.

10. The sectional drilling unit for the Subject Lands encompasses 635.51 acres ("**Drilling Unit**").

11. The spaced interval for the Drilling Unit comprises the Lower Green River/Wasatch formations, and is more particularly defined as:

That interval below the stratigraphic equivalent of 9,600 feet depth in the "E" Log of the Carter #2 Bluebell well located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$, Section 3, Township 1 South, Range 2 West, U.S.M. (which equivalence is the depth 9,530 feet of the SP curve, Dual Induction Log, run March 15, 1968, in the Chevron #1 Blanchard well located in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of said [Section 3]), to the base of the Green-River Wasatch formations.

(the "**Spaced Interval**"). The formations are an easily-identifiable stratigraphic horizon throughout the Uinta Basin.

12. The Subject Lands comprise private (fee), State of Utah, and Indian allotted lands.

13. RIG II identified the names, last known addresses, and quanta of interest of each person who has the right to drill into and produce from reservoirs in the Drilling Unit (individually "**Owner**" and collectively "**Owners**"), together with owners of other interests in the Subject Lands, by commissioning a Drilling and Division Order Title Opinion from Utah counsel, based upon that counsel's examination of the official records of the Uintah County Recorder, Treasurer, and Clerk; the land and title records of the Utah State Office of the Bureau of Land Management; and the real property records of Bureau of Indian Affairs, in Fort Duchesne, Utah. Regarding persons for whom no address was disclosed by the title records, RIG II attempted to identify such addresses and potential heirs, successors, and assigns, from online electronic Websites customarily utilized in the oil and gas industry for such purposes; and by telephoning parties having similar last names to the same end.

14. RIG II sought voluntary pooling by sending to each Owner, at the Owner's last known address by Certified Mail, Return Receipt Requested, a well proposal letter offering to lease the Owners' respective interests in the Subject Lands if unleased, and alternatively, proposing the participation in the drilling of the Well (the "**Well Proposal**"). Attached to the

Well Proposal were a proposed oil and gas lease, an Authorization for Expenditure for the Well, and an AAPL Form 610—1989, Model Form Operating Agreement for the Drilling Unit (the “JOA”). Regarding those Owners for whom no address could be found, RIG II published notice of the Well Proposal, as described in Finding 4, above.

15. RIG II has in all respects made a reasonable, good faith, effort to bring together the interests of each Owner, as required by *Utah Administrative Code*.R649-2-9 (2014).

16. Of the 550.625 acres that are the subject of this bifurcated hearing, 90.599371% (498.862787 acres) have been leased or otherwise voluntarily brought together for development and operation of the Drilling Unit as of the date of the hearing, representing 78.498023% of the entire 635.625-acre Drilling Unit.

17. As of the date of this hearing, an undivided 9.405668%, (51.7622132 acres), of the total unleased oil and gas interest affecting 550.625 acres of privately owned lands in the Drilling Unit remained unleased.

18. Owners who have voluntarily committed their interests to the common development and operation of the Drilling Unit are:

<u>OWNER</u>	<u>UNIT OWNERSHIP %</u>	<u>STATUS</u>
RIG II, LLC	30.767312%	
Gasco Energy, Inc., nka Badlands Energy—Utah, LLC	30.767312%	
Wyatt Energy, LLC	15.383656%	
Bill Barrett Corporation	0.539504%	
Crescent Point Energy US Corporation	0.105427%	

Carolyn Faydock Klemme	0.934812%
Total Consenting Owners:	1. 78.498023%

(the “Consenting Owners”).

19. Owners who have not, as of the date of the hearing, voluntarily committed their interests to the development and operation of the Drilling Unit are:

<u>OWNER</u>	<u>UNIT OWNERSHIP %</u>	<u>STATUS</u>
State Road Commission of Utah c/o Utah	0.458687%	[excluded from order]
Eleanor D. Smith	0.231704%	Unlocatable/Nonconsent
James Ellis Faydock	0.934813%	Unlocatable/Nonconsent
Robert C. Faydock	1.869627%	Unlocatable/Nonconsent
Gail Siddoway aka Eleanor F. Siddoway	1.869627%	Unlocatable/Nonconsent
Ruel W. Bodily	0.539499%	Nonconsent
Kim Bodily	0.179833%	Unlocatable/Nonconsent
Gwen W. Bodily	0.539499%	Unlocatable/Nonconsent
Kelly Farnsworth	0.332017%	Unlocatable/Nonconsent
Heirs of Che-a-ga-rah, aka Henry Reeve	4.335101%	[excluded from order]
Heirs and/or Devisees of George Parvedro	8.563201%	[excluded from order]
LaVerna G. Coon	1.270720%	Nonconsent
Mark Farnsworth, Holly	0.187251%	Unlocatable/Nonconsent

Farnsworth, joint tenants		
Michael Daskalas and Janene F. Daskalas, joint tenants	0.190398%	Nonconsent
Total:	21.50198%	

(the “**Nonconsenting Owners**”).

20. The interests of the Utah Department of Transportation (formerly the State Road Commission), by and through the DFFSL, together with various heirs and/or devisees of Indian Allottees of the Uintah and Ouray Reservation Order, have been excluded from under the Board’s order bifurcating the hearing (the “**Excluded Owners**”).

21. No Nonconsenting Owners, apart from the Excluded Owners, filed a response or comment or appeared at the hearing.

22. The reservoirs are lenticular and are discontinuous throughout the area and the Spaced Interval.

23. RIG II commenced drilling operations for the Well in late November 2014, and completed the Well on January 10, 2015, as a well capable of production from the Spaced Interval in the Subject Lands.

24. The Well is the first well drilled to and produced from the Spaced Interval in the Subject Lands.

25. The closest producing well from the same spaced interval to the subject Well is the FD #3-30D-2-2 Well located in the NE¼NW¼ of Section 30, in Township 2 South, Range 2 East, U.S.M.

26. The Well is drilled down-dip from the structural shelf comprising the south shore of the paleo Lake Uinta, and RIG II performed new fracturing and completions techniques that increased the cost of the Well by \$700,000.00.

27. The terms and conditions of the JOA admitted into evidence at the hearing are just and reasonable and are appropriate to govern the relationship of the Owners, including the interests of the Nonconsenting Owners, to the extent that they are consistent with this Order.

28. The average weighted royalty rate by tract, not including the royalty rates that may result from leasing State of Utah and Indian allotted lands, is 16.37%.

29. An interest charge of the prime rate published monthly in the *Wall Street Journal*, plus 3.0% is just and reasonable, as provided in the JOA, Exhibit "C" (COPAS) Art. 3.B.

30. The estimated plugging and abandoning cost for the Well based upon wells drilled to the Spaced Interval in the area and further based upon 100% of the ownership in the Drilling Unit is \$45,000.00 and is just and reasonable.

31. An order establishing force pooling unleased and nonconsenting mineral interests in the Spaced Interval in the Subject Lands will promote the public interest, prevent waste, protect correlative rights of all owners, avoid the drilling of unnecessary wells, and promote the greatest recovery of oil, gas, and associated hydrocarbons from the Subject Lands and Spaced Interval.

32. The Board voted unanimously to grant the Request, with two members voting for a lower nonconsent penalty lower than 300%.

CONCLUSIONS OF LAW

33. The Board has jurisdiction of the parties and of the subject matter of the Request for Agency Action pursuant to *Utah Code Annotated* § 40-6-5 (2014).

34. The Board gave due and regular notice of the time, place, and purpose of the hearing to all interested parties as required by law and by the rules and regulations of the Board.

35. RIG II properly served all Owners entitled to notice of forced pooling of Owners' interests in the Spaced Interval in the Subject Lands as required by law.

36. RIG II has sustained its burden of proof, demonstrated good cause, and satisfied all legal requirements for granting the Request.

37. The Board's Spacing Order established, upon its entry, the correlative rights of each Owner to production from a well producing from the Spaced Interval in the Drilling Unit.

38. By their failure to respond and appear at the hearing after proper notice, the Nonconsenting Owners are in default as provided in *Utah Administrative Code* R641-104-150 and R641-108-400 (2014).

39. A risk compensation award (nonconsent penalty) of 300% as authorized by *Utah Code Annotated* § 40-6-6.5(4)(d)(i)(D) (2014) is just and reasonable.

40. The estimated costs of plugging and abandoning the Well of \$45,000.00, which costs are just and reasonable.

41. The terms of the JOA, including its appendices, are just and reasonable to the extent that they are consistent with this Order.

42. An interest rate of prime plus three percent per annum, and overhead or administrative charge of, of \$9,000.00 per drilling well and a monthly charge of \$1,000.00 per

producing well, as provided in the COPAS; and reciprocal liens for operators and nonoperators are just and reasonable.

43. The involuntary pooling of the Nonconsenting Owners' interests with those of the Consenting Owners is just and reasonable, and ensures that all Owners will receive their fair and equitable share of production from the Well.

44. An order establishing involuntary pooling of unleased and nonconsenting oil and gas interests in the Spaced Interval in the Subject Lands will promote the public interest, prevent waste, protect correlative rights of all owners, avoid the drilling of unnecessary wells, and promote the greatest recovery of oil, gas, and associated hydrocarbons from the Spaced Interval in the Subject Lands.

ORDER

IT IS THEREFORE ORDERED based upon the Request, evidence adduced at the hearing, and the Findings of Fact and Conclusions of Law, hereinabove stated that:

A. RIG II's Motion to bifurcate the hearing to exclude the State of Utah and Indian Allotted lands and to continue this matter as to those lands until the regularly scheduled hearing on April 22, 2015, is granted.

B. RIG II's Request, as orally amended and modified by the Motion, is granted.

C. The interests of all parties subject to the jurisdiction of the Board, specifically including the Consenting Owners and Nonconsenting Owners, in those portions of the Drilling Unit comprising the 550.625 acres of private lands (and expressly excluding for purposes of this hearing the interests of the Excluded Owners), are hereby pooled retroactively to January 10, 2015, the date of first production in the Pappadakis #15-24-2-1E Well.

D. Operations on any portion of the Drilling Unit affecting the Spaced Interval shall be deemed for all purposes to be the conduct of operation upon each separately owned tract in the Drilling Unit.

E. Production allocated or applicable to a separately owned tract included in the Drilling Unit shall, when produced, be deemed for all purposes to have been produced from that tract, as though the Well were upon it, as provided in *Utah Code Annotated* § 40-6-6.5(2)(b).

F. Each Owner shall pay for his allocated share of the costs incurred in the drilling and operation of the Well, including, but not limited to, the costs of drilling completing, equipping, producing, gathering, transporting, processing, marketing, and the costs of storage facilities, reasonable charges for administration and supervision of operations, and other costs customarily incurred in the industry, all to be governed in accordance with the terms and conditions of the JOA executed by the consenting parties and attached hereto by reference, to the extent not otherwise inconsistent with this Order.

G. RIG II, Gasco, nka Badlands Energy—Utah, LLC, Wyatt Energy LLC, Bill Barrett Corporation, Crescent Point Energy US Corporation, and Carolyn Faydock Klemme, by and through her heirs, Kevin Klemme and Karen McDonald, are Consenting Owners, as the terms are utilized in *Utah Code Annotated* § 40-6-6.5, with respect to the Well.

H. James Ellis Faydock, Robert C. Faydock, Gail Siddoway, aka Eleanor F. Siddoway, Ruel W. Bodily, Gwen W. Bodily, Kelly Farnsworth, LaVerna G. Coon, Mark Farnsworth and Holly Farnsworth, Michael Daskalas and Janene F. Daskalas, Eleanor D. Smith, and Kim Bodily are the Nonconsenting Owners with respect to the Well, as that term is utilized in *Utah Code Annotated* § 40-6-2(4); and their interests are hereby forced pooled into the Well.

I. The interests of the Nonconsenting Owners shall be deemed relinquished to the Consenting Owners during the payout period for the Well, as provided in *Utah Code Annotated* § 40-6-6.5(9).

J. Each Consenting Owner shall own and be entitled to receive, subject to the Nonconsenting Owner's royalty established by this Order, that share of production from the Well applicable to the Nonconsenting Owner's interest in the Drilling Unit; and, unless the Consenting Owners have agreed otherwise, the Consenting Owner's proportionate part of the Nonconsenting Owner's share of the production until costs are recovered, as provided in *Utah Code Annotated* § 40-6-6.5(4)(d).

K. Each Nonconsenting Owner shall be entitled to receive, subject to the royalty specified herein, the share of the production of the Well applicable to his interest in the Drilling Unit, after the Consenting Owners have recovered the following amounts from such Nonconsenting Owner's share of production, less any cash contributions made by the Nonconsenting Owner:

(1) 100% of the Nonconsenting Owner's share of the cost of surface equipment beyond the wellhead connections, including stock tanks, separators, treaters, pumping equipment, and piping, as provided in *Utah Code Annotated* § 40-6-6.5(4)(d)(1)(A);

(2) 100% of the Nonconsenting Owner's share of the estimated costs of plugging and abandoning the Well, respectively, which estimated costs are for the Well is \$45,000.00, as provided in *Utah Code Annotated* § 40-6-6.5(4) (d)(1)(B);

(3) 100% of the Nonconsenting Owner's share of the cost of operation of the Well, commencing with first production and continuing until the Consenting Owners have recovered all costs, as provided in *Utah Code Annotated* § 40-6-6.5(4)(d)(1)(C).; and,

(4) A risk compensation award (nonconsent penalty) of 300% of the Nonconsenting Owner's share of the costs of staking the location, wellsite preparation, rights-of-way, rigging up, drilling, reworking, recompleting, deepening or plugging back, testing, and completing, and the cost of equipment in the Well, to and including the wellhead connections, as provided in *Utah Code Annotated* § 40-6-6.5(4)(d)(i)(D).

(5) The Nonconsenting Owner's share of costs is that interest that would have been chargeable to the Nonconsenting Owner had he initially agreed to pay his share of the costs of the Well from the commencement of operations, as provided in *Utah Code Annotated* § 40-6-6.5(4)(d)(ii).

(6) In addition, a reasonable interest rate of prime plus 3% as published monthly in the *Wall Street Journal* shall be imposed, as provided in *Utah Code Annotated* § 40-6-6.5(4)(d)(iii).

L. Each Nonconsenting Owner in the Drilling Unit whose tract is not subject to a lease or contract for the development of oil and gas shall receive as a royalty the average acreage weighted average landowner's royalty, based upon each leased private lands tract in the sum of 16.37%, proportionately reduced by the percentage of the Nonconsenting Owner's interest in the Drilling Unit, as provided by *Utah Code Annotated* § 40-6-6.5(6)(a)(i) (Supp. 2014);.

M. The Nonconsenting Owners' royalty interest shall be determined prior to commencement of drilling, and shall be paid from the production attributable to each tract until the Consenting Owner shall have recovered the costs identified in this Order, as provided in as provided by *Utah Code Annotated* §40-6-6.5(6)(b) (Supp. 2014).

N. The Consenting Owners shall pay any royalty interest or other interest in the tract not subject to the deduction of the costs of production, from the production attributable to that tract, as provided in *Utah Code Annotated* § 40-6-6.5(5).

O. The operator of the well shall furnish each Nonconsenting Owner with monthly statements specifying costs incurred, the quantity of oil or gas produced, and the amount of oil and gas proceeds realized from the sale of production during the preceding month, as provided in *Utah Code Annotated* § 40-6-6.5(8).

P. Upon payout of the Well, the Nonconsenting Owners' relinquished interests in the Well shall automatically revert to them, and the Nonconsenting Owners shall from that time forward own the same interest in the Well and the production from it, and shall be liable for the further costs of operation, as if such owners had participated in the initial drilling and completion operations, as provide in *Utah Code Annotated* §40-6-6.5(9) a)-(b), and such costs shall be payable out of production unless otherwise agreed between the Nonconsenting Owners and the operator of the well, as provided in, as provided in *Utah Code Annotated* § 40-6-6.5(9)(c).

Q. Upon payout of the Well, the Nonconsenting Owners' royalty interest shall be merged back into the Nonconsenting Owner's working interest and shall be extinguished, as provided in *Utah Code Annotated* § 40-6-6.5(7).

R. Payout occurs when the Consenting Owners have recouped from the Nonconsenting Owner's the costs and expenses of drilling and completing the Well, together with the risk compensation award (nonconsent penalty) and interest, as provided for in this Order and in *Utah Code Annotated* § 40-6-6.5(9).

S. In any circumstance when any Nonconsenting Owner has relinquished his share of production to the Consenting Owner or at any time fails to take his share of production in-kind, when he is entitled to do so, that Nonconsenting Owner is entitled to an accounting of the oil and gas proceeds applicable to his relinquished share of production; and payment of the oil and gas proceeds applicable to that share of production not taken in-kind, net of costs, as provided in *Utah Code Annotated* § 40-6-6.5(10).

T. RIG II shall return to the Board at its regularly scheduled hearing on April 22, 2015, to report the status of the leasing and commitment of the Excluded Lands to development and operation of the Drilling Unit. Should the Board then determine that it has jurisdiction over the forced pooling in the Excluded Lands, it shall give notice of a hearing to take evidence regarding the need and legal arguments as to the propriety of extending this Order to said lands.

U. The Board has considered and decided this matter as a formal adjudication, pursuant to the Utah Administrative Procedures Act, pursuant to *Utah Code Annotated* §§ 63G-4-204 through -207, and of the Rules of Practice and Procedure before the Board of Oil, Gas and Mining, *Utah Administrative Code* R641 (2013).

V. The Findings of Fact, Conclusions of Law, and Order (“**Order**”) are based exclusively upon evidence of record in this proceeding or on facts officially noted, and constitutes the signed written order stating the Board’s decision and the reasons for the decision,

as required by the Utah Administrative Procedures Act, *Utah Code Annotated* § 63G-4-208 (2014), and the Rules of Practice and Procedure before the Board of Oil, Gas and Mining, as stated in *Utah Administrative Code* R641-109 (2015) and constitutes a final agency action as defined in the Utah Administrative Procedures Act and Board rules.

W. Notice of Right of Judicial Review by the Supreme Court of the State of Utah. The Board hereby notifies all parties to this proceeding that they have the right to seek judicial review of this Order by filing an appeal with the Supreme Court of the State of Utah within 30 days after the date this Order is issued. *See Utah Code Annotated* § 63G-4-208(1)(f) & -4-301(1)(a) (2014).

X. Notice of Right to Petition for Reconsideration. As an alternative, but not as a prerequisite to judicial review, the Board hereby notifies all parties to this proceeding that they may apply for reconsideration of this Order. *See Utah Code Annotated* § 63G-4-208(1)(e). The Utah Administrative Procedures Act provides:

(1) (a) Within 20 days after the date that an order is issued for which review by the agency or by a superior agency under Section 63G-4-301 is unavailable, and if the order would otherwise constitute final agency action, any party may file a written request for reconsideration with the agency, stating the specific grounds upon which relief is requested.

(b) Unless otherwise provided by statute, the filing of the request is not a prerequisite for seeking judicial review of the order.

(2) The request for reconsideration shall be filed with the agency and one copy shall be sent by mail to each party by the person making the request.

(3)(a) The agency head, or a person designated for that purpose, shall issue a written order granting the request or denying the request.

(b) If the agency head or the person designated for that purpose does not issue an order within 20 days after the filing of the request, the request for reconsideration shall be considered to be

denied.

Utah Code Ann. § 63G-4-302 (2014).

The Rules of Practice and Procedure before the Board of Oil, Gas and Mining entitled “Rehearing and Modification of Existing Orders” states:

Any person affected by a final order or decision of the Board may file a petition for rehearing. Unless otherwise provided, a petition for rehearing must be filed no later than the 10th day of the month following the date of signing of the final order or decision for which the rehearing is sought. A copy of such petition will be served on each other party to the proceeding no later than the 15th day of that month.

Utah Admin. Code R641-110-100 (2014).

The Board hereby rules that, should there be any conflict between the deadlines provided in the Utah Administrative Procedures Act and the Rules of Practice and Procedure before the Board of Oil, Gas and Mining, the later of the two deadlines shall be available to any party moving to rehear this matter. If the Board later denies a timely petition for rehearing, the aggrieved party may seek judicial review of the order by perfecting an appeal with the Utah Supreme Court within 30 days thereafter.

Y. The Board retains exclusive and continuing jurisdiction of all matters covered by this Order and of all parties affected thereby; and specifically, the Board retains and reserves exclusive and continuing jurisdiction to make further orders as appropriate and authorized by statute and applicable regulations.

The Chairman’s signature on a facsimile copy of this Order shall be deemed the equivalent of a signed original for all purposes.

ENTERED this ____ day of _____, 2014.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING

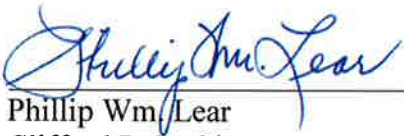
Ruland J. Gill, Chairman

Approved as to Form:

Attorney General for the State of Utah

By: _____
Steven F. Alder
Attorney for the Division of Oil, Gas and Mining

LEAR & LEAR L.L.P.

By: 
Phillip Wm. Lear
Clifford B. Parkinson
Attorneys for RIG II, LLC.

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the attached Proposed Findings of Fact, Conclusions of Law, and Order to be served this ____ day of February, 2015, by United States First Class Mail, postage prepaid to:

John Baza, Director
Utah Division of Oil, Gas and
Mining
P.O. Box 145801
Salt Lake City, Utah 84114

John Rogers
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Bureau of Indian Affairs, as Trustee
P.O. Box 130 or
988 South 7500 East
Ft. Duchesne, UT 84026
Bureau of Land Management
Vernal Field Office
170 S. 500 E.
Vernal, UT 84078

BLM Utah State Office
440 West 200 South, Suite 500
Salt Lake City, UT 84101-1345

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James J. Markey
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West Valley, UT 84120

Cheryl S. Christensen, as Trustee of
the Cheryl S.
Christensen Trust
756 West 2310 North
Pleasant Grove, UT 84062

Daryl G. Gibbons, Trustee of the
Daryl E. Gibbons 2013 Trust
P.O. Box 659
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Daryl G. Gibbons
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Delma R. Gibbons, Trustee of the
Delma R. Gibbons Trust
P.O. Box 659
Ft. Duchesne, UT 84026

State Road Commission of Utah c/o
Utah Division of
Forestry, Fire and State Lands
1594 West North Temple
Salt Lake City, UT 84114-5703

Margaret L. Courtney
1 Sedley Court
Greensboro, NC 27455

Karla Erskine
1797 E. 3300 S.
Salt Lake City, UT 84106

Dianna Mathew
7282 Halelani Drive
Midvale, UT 84047

Edris Godwin
6213 W. Hedgehog Pl.
Phoenix, AZ 85083-6562

Chad A. Wilkerson and Tammy
Wilkerson, joint tenants
P.O. Box 244
Lapoint, UT 84039

Rex J. Wilkerson
5770 West 10400 South
Payson, UT 84651

Bertha E. Wilkerson, Trustee of the
A.C. Wilkerson Trust
c/o Rex J. Wilkerson, Attorney in
Fact and Conservator
5770 West 10400 South
Payson, UT 84651

Janae C. Anderson
683 W. 925 S.
Orem, UT 84058-6784

George N. Pappas, Cathie M.
Pappas, Pauline Pappas
Fox and Nick George, joint tenants
c/o George N. Pappas
166 East Hidden View Drive #4
Sandy, UT 84070

Mike E. Pappadakis and Barbara C.
Pappadakis, joint tenants
4616 Creek View Circle
Murray, UT 84107

Robin Pappadakis
c/o Mike Pappadakis
4616 Creekview Circle
Murray, UT 84107

John M. Pappadakis
1292 Batemans Pond Way
West Jordan, UT 84084

Ralph Eugene Thiriot, Jr.
4792 Saxony Circle
Salt Lake City, UT 84117

Donald G. Thiriot and Helen B.
Thiriot, trustees of the
Thiriot Family Loving Trust dated
December 11, 1998
104 East 100 South
Box 606
Coalville, UT 84107

Thomas Babb
P.O. Box 1492
Overton, NV 89040

Barbara Jo Rossberg
13939 Stone Canyon Drive
Draper, UT 84020

Jeanne Bodily Skidmore
17323 Autumn Oak Way
Spring, TX 77379

Afton Robison
423 Majestic Drive
Ivins, UT 84738

Patti Kulkus
10876 Shady Dell Drive
Sandy, UT 84094

Elizabeth Marie Roll Jenkinson
1055 South 112th Street
Lafayette, CO 80026

Liberty Schaefer
4326 Blackshear Drive
South Jordan, UT 84095

Nick Bourdos
7546 South 2540 West
West Jordan, UT 84084-0298

Cleo Valkoviak aka Cleo Bourdos
2034 Fairwood Drive, #11
Taylorsville, UT 84118

Mike E.M. Pappadakis, Jr.
4616 Creekview Circle
Murray, UT 84107

David James Lambert and Gayle
Anne Lambert, Trustees of
the Lambert Family Trust dated
January 11, 2008
10636 North Jerling Dr.
Highland, UT 84003

A-8 Investment Company, LLC
P.O. Box 17397
Holladay, UT 84117

Gunner Minerals, LLC
P.O. Box 17397
Holladay, UT 84117

Anderson Resources Company,
LLC
P.O. Box 17397
Holladay, UT 84117

John R. Anderson and Ida Lee
Anderson, co-
trustees of the Ida Lee Anderson
Revocable
Trust dated December 31, 1992
P.O. Box 17397
Holladay, UT 84117

Hatch Oil and Gas, LLC
P.O. Box 171139
Holladay, UT 84117

The Hatch Group, LLC
P.O. Box 171139
Holladay, UT 84117

Mike and Shelley Enterprises, Inc.
P.O. Box 1846
Layton, UT 84040

D. Arlen Jensen
3688 W 4300 S
West Haven, UT 84401-8402

Lorri Knight
61 New Mexico 222
Tijeras, NM 87059

Cindee L. Whitaker
9005 540 Loop
Logan, NM 88426

Roy Springer
1022 W 240 S
Roosevelt, UT 84066-3908

Renee S. Newman
4971 Naniloa Dr
Salt Lake City, UT 84117

Richard A. Kopp
9272 Lacrosse Lane
Parker, CO 80138

Pan Oklahoma Corporation
P.O. Box 371
Riverton, Utah 84065

RIG II
1582 West 2600 South
Woods Cross, UT 84087-0298

Jon C. Naylor
701 Orange Grove, Apt. 107
South Pasadena, CA 91030

Eleanor D. Smith
Rt. 1 Box 150 A
Roosevelt, UT 84066

Deceased Child by the name of
James William Tuckett

Katie Lee Tuckett Hancock
9758 Sandridge Drive
Sandy, UT 84092

Colleen Kay Tuckett Hansen
177 South 930 East
American Fork, UT 84003

Bruce R. Vanlaningham
351 S 600 E
Payson, UT 84651

Kalstrom Energy Partners, LLC
P.O. Box 6150
Denver, CO 80206

Pinion Hill Resources, LLC
9272 Lacrosse Lane
Parker, CO 80138

Bill Barrett Corporation
1099 18th Street #2300
Denver, CO 80202

Richard A. Naylor
300 E. Coast Highway #96
Newport Beach, CA 92660

Rebecca B. Warner
Presumed Heir of Gwen W. Bodily
225 Turtle Creek Drive
Huntsville, AL 35806

James H. Tuckett and Bertha W.
Tuckett, joint tenants
9758 S Sandridge Drive
Sandy, UT 84092

Claudia Jean Tuckett Call
1425 Shirley Ave
Clovis, CA 93411

Jack Earl Tuckett
4291 South 3960 West
West Valley, UT 84120

Karla Naomi Tuckett Winks
138 W. Clare
Meridian, ID 83646

Bodily Investment
4421 Taylor Ave
Ogden, UT 84403

Ben Faydock
7875 Summer Day Drive
Corona, CA 92883

Gail Siddoway aka
Eleanor F. Siddoway
P.O. Box 267
Oakley, UT 84055

Lynne Bodily Dewey
485 Mango Drive
Eagle, ID 83616

Kevin Klemme
457 South Forrest Ave
Liberty, MO 64068

Wyatt Energy, LLC
3355 West Alabama, Suite 500
Houston, TX 77098

Heirs and/or Devisees of Che-a-ga-
rah, aka Henry Reeve
c/o Uintah and Ouray Agency
988 South 7500 East
Fort Duchesne, UT 84026

LaVerna G. Coon
83 Bordeaux, Ln.
Alpine, UT 84004

Richard C Hagen
6318 Rodeo Lane
Salt Lake City, UT 84121

Robert C. Faydock
2921 East Louise Avenue
Salt Lake City, UT 84109

Ruel W. Bodily
621 C Florida St
Vellejo, CA 94590

Kim Bodily
4861 S 1670 E
Salt Lake City, UT 84117

Karen Elizabeth Faydock
McDonald
308 Camellia Way
League City, TX 77573

Kelly Farnsworth
P.O. Box 1402
Roosevelt, UT 84066

Heirs and/or Devisees of George
Parvedro
c/o Uintah and Ouray Agency
988 South 7500 East
Fort Duchesne, UT 84026

Joseph D. Smith and Eileen Smith,
joint tenants
7130 North 194th East Ave
Owasso, OK 74055

Mark Farnsworth, Holly
Farnsworth, joint tenants
P.O. Box 615
Ft. Duchesne, UT 84026

Jamie Pappadakis
c/o John Pappadakis
1292 Batemans Pond Way
West Jordan, UT 84084

Evangeline Bourdos
2460 S. 500 E.
Salt Lake City, UT 84106

Pauline E.P. Fox
643 Rio Rancho Way
Brighton, CO 80601

Michael Daskalas and Janene F.
Daskalas, joint tenants
2494 Shadow Wood Circle
Salt Lake City, UT 84117

Crescent Point Energy US Corp.
555 17th Street, Suite 1800
Denver, CO 80202

Merrill Bodily
Presumed Heir of Gwen W. Bodily
14538 Lang Hill
Hacienda Heights, CA 91745

Sarah Sue English
Presumed Heir of Gwen W. Bodily
P.O. Box 200681
Austin, TX 78720-0681

Jeremy Powell Bodily
Presumed Heir of Gwen W. Bodily
25558 W. Street Kateri Drive
Buckeye, AZ 85326

Julie Pappadakis
c/o John Pappadakis
1292 Batemans Pond Way
West Jordan, UT 84084

Nick G. Pappas
280 E. Hidden View Drive #99
Sandy, UT 84070

John N. Pappadakis, Carolyn W.
Pappadakis, joint tenants
1292 Batemans Pond Way
West Jordan, UT 84084

Tonya Roth
Presumed Heir of Gwen W. Bodily
No Address of Record

Badlands Energy -Utah, LLC
7979 E. Tufts Ave. Suite 1150
Denver, CO 80237

Trudy Gibby
Presumed Heir of Gwen W. Bodily
1824 East Maple Street
Mapleton, UT 84664

Wentzel Energy Partners LLC
999 Tech Row
Madison Heights, MI 48071

Amy M Bodily
Presumed Heir of
Gwen W. Bodily
810 Vindicator Drive, Apt. 304
Colorado Springs, CO 80919

David Bodily
Presumed Heir of Gwen W. Bodily
1101 East Howard Street
Glennville, GA 30427-2564

Douglas Bodily
Presumed Heir of
Gwen W. Bodily
1922 Hunting Ave
Manhattan, KS 66502

Claudia Jean Tuckett Call
1425 Shirley Ave
Clovis, CA 93411

Katie Lee Tuckett Hancock
9758 Sandridge Drive
Sandy, UT 84092

Jack Earl Tuckett
4291 South 3960 W
West Valley, UT 84120

Colleen Kay Tuckett Hansen
177 S 930 E
American Fork, UT 84003

Karla Naomi Tuckett Winks
138 W. Clare
Meridian, ID 83646

Kevin Klemme
Heir of Carolyn Faydock Klemme:
457 South Forrest Ave
Liberty, MO 64068

Karen Elizabeth Faydock McDonald
308 Camellia Way
League City, TX 77573

Ben Faydock
Heir of James Ellis Faydock:
7585 Summer Day Drive
Corona, CA 92883

Alan Godwin
6213 West Hedgehog Place
Phoenix, AZ 85083
